



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1253

DATE: June 19, 2013

TO: Iowa Medicaid Home and Community Based Services (HCBS) Waiver Providers, Habilitation Service Providers and Case Managers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Annual Year-End Cost Reporting of HCBS Waiver and Habilitation Service Member-Specific Limited Costs

The IME has identified inconsistencies in how member-specific costs subject to annual limits are reported on Schedule D of the HCBS Waiver and Habilitation Service *annual year-end cost reports*. The purpose of this informational letter is to clarify how these costs should be reported on the annual year-end cost reports.

Both HCBS Waiver and Habilitation Services include limits on the annual amount that can be spent for members receiving transportation, consulting, instruction, and environmental modifications and furnishings. This limit is \$1,570 per member for HCBS Waiver Supported Community Living and for Home-based Habilitation. The limit is \$1,500 for members receiving HCBS Waiver Children's Mental Health Services.

The expenses subject to these limits are reported on lines 3290, 3520, and 4320 in the HCBS Waiver and Habilitation cost reports. Direct expenses in these lines of the annual year-end cost reports for HCBS Waiver Supported Community Living, Children's Mental Health Services and Home-based Habilitation should include only the expenses specific to members. These expenses must be related to service plan goals and tracked by member. Expenses that are not specific to a member should be reported elsewhere on the cost report. The member limit applies to the aggregate of expenses in the three lines.

Payment for these expenses should be sought from the member, family, or other community resources. Payment through the HCBS Waiver and Habilitation Services programs is available only after other resources have been exhausted.

Line 3290 – Other Related Transportation

All transportation costs incurred for the transportation of members for service plan-related services or activities are to be reported on line 3290. Costs on line 3290 may include, but are not limited to, mileage paid to employees for business use of a personal vehicle, agency vehicle expense, or costs associated with public transportation. Member transportation expense for purposes not identified in the service plan is not reimbursable through the HCBS

Waiver and Habilitation Service programs. The expense for these other purposes should be reported in the Excluded Costs/Other Non-Reimbursable Costs column.

Providers are responsible for tracking the expense incurred for the transportation of members for service plan-related services using a reasonable method.

Refer to Informational Letter No. 1252 dated 6/19/2013 for additional cost report guidance from the department on transportation expenses.

Line 3520 – Other Assistance

HCBS Waiver Supported Community Living, Children's Mental Health Services, and Home-based Habilitation direct expenses in line 3520 should include costs related to member consulting and member instruction, as specified in the member's service plan. Member consulting and instruction expense for purposes not identified in the service plan is not reimbursable through the HCBS Waiver and Habilitation Service programs. The expense for these other purposes should be reported in the Excluded Costs/Other Non-Reimbursable Costs column.

Member Consulting may include, but is not limited to:

- Behavior programming and training
- Consulting with specialists for conditions specific to the member
 - Examples include autism and brain injury.

Member Instruction may include, but is not limited to:

- Reinforcement for behavior modification
 - Such as the purchase of rewards as identified in the service plan to reinforce the achievement of a service plan goal
- Programming and socialization activities
 - May include expense for both the member and staff member, but must be necessary for the achievement of a goal
 - Staff member admission to a sporting or cultural event is necessary, but snacks are not
 - Staff member participation in a group bowling activity is not necessary

Line 4320 – Other Equipment Repair or Purchase

HCBS Waiver Supported Community Living and Children's Mental Health Services direct expense in line 4320 should include the cost of member environmental modification and repairs and member environmental furnishings as specified in the member service plan. Member environmental modification, repairs and furnishing expenses not identified in the member's service plan are not reimbursable through the HCBS Waiver program. Expenses for these other purposes should be reported in the Other Non-Reimbursable Costs column.

Examples of allowable HCBS Waiver expenses in this line may include, but are not limited to:

- Modification and repair of the living area due to specific needs of the member
 - Wheelchair lifts, ramps, and repairs due to destruction of property by the member that are not covered under Home and Vehicle Modification
- Items required to establish a home for a member moving out of a group facility
 - Bed and mattress, dresser, kitchen supplies
- All items should be needs, not wants, which are necessary to meet the basic needs of the HCBS Waiver member

Reimbursement for member environmental modification and repairs and member environmental furnishings is **ONLY** available for the HCBS Waiver program. *There is no provision for reimbursement of these expenses in the Habilitation Services program.* These expenses incurred for a Habilitation Services member should be reported as an Excluded Cost on Schedule D of the Habilitation Services cost report.

Should you have any questions, please contact the IME Provider Cost Audit and Rate Setting Unit at (515) 256-4610 or (866) 863-8610, or via email at costaudit@dhs.state.ia.us.